

KEY Points

PROGRESS THROUGH PARTNERSHIP

15

RETAIL AND
DISTRIBUTION

INFORMATION SERVICE
17 JUL 1995

Wellcome Centre for Medical Science

THE SECTOR

Retail and distribution is one of the most important UK industries. In 1991, the industry comprised of nearly a quarter of a million businesses with 300,000 outlets, employed 2.3 million people and had a turnover of almost £144,000 millions. It includes more than a quarter of all VAT-registered businesses and is the second largest contributor to UK GDP with 11 per cent of the total.

THE FUTURE

The Panel identified three key retail market areas - face-to-face, remote and global - and the key technology area that underpins them. The two areas that will offer both major opportunities and, potentially, major threats to UK retailers and distributors are remote retailing and global retailing. The industry is well-placed to become a major competitor in both the remote and global market areas provided that steps are taken to develop the relevant technical, regulatory and social inputs.

PRIORITY RECOMMENDATIONS

The Panel has identified the following areas as crucial to wealth creation and quality of life improvement; they therefore deserve priority action:

- Social and Cultural Factors: e.g. IT in society, land use, planning, accessibility, education, social change;
- Compatibility of Technologies and Systems: e.g. Smart cards (all uses), Information Superhighway (end-to-end compatibility), Smart tags;
- Usable Access to Remote Electronic Services: e.g. development of affordable, easy-to-use terminal equipment and UK owned services in retail, financial, education, health, entertainment, and leisure markets;
- Security of Information Held Electronically: e.g. global data protection (legal, personal, financial) and the technologies required - encryption, authentication, recognition;
- Intelligent Packaging: e.g. temperature control, age and status indication, smart tags;
- Improved Global Access: for large and small retailers, designers, manufacturers and distributors; and
- Legal Aspects of Electronic Commerce: e.g. audit, liability, privacy, IPRs, payment, fraud detection, access.

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TECHNOLOGY *Foresight*



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FORWARD WITH FORESIGHT

The Retail and Distribution Technology Foresight Sector Panel considers that the bodies identified should take action in the following areas to implement its recommendations:

The Research Councils

Research areas identified for establishing specially promoted programmes include:

- Information Superhighway Technologies;
- Intelligent Product, Packaging, Tagging and Scanning;
- IT in the Community;
- Household Dynamics and Consumer Behaviour; and
- IT-Training Requirements.

The Department of Trade and Industry

Actions should include:

- Promoting UK involvement in the development and use of Open Systems and Standards;
- Promoting the installation of a compatible infrastructure and promoting the use of the Information Superhighway; and
- Establishing the requirements for regulation of the Information Superhighway and security of information held and distributed electronically.

Should encourage:

- The establishment of UK based Multimedia companies to address the emerging business opportunities;
- An increased understanding of cultural, psychological, legal and social requirements of trading with other countries; and
- The formation of a consortium to address the requirements for the next generation EPoS.

Should consider the role of UK retailers and distributors in the area of:

- Emergency Stock Control.

The Departments of Education and Employment

Should establish programmes to determine the IT-literacy requirements in the UK workforce (including training for teachers) and improvements offered by IT in schools, including distance learning, electronic mail and remote data mining.

The Department of the Environment

Should undertake a specially promoted programme to promote a better understanding of Land Use and access in future development and re-development programmes.

TECHNOLOGY FORESIGHT PROGRAMME

The purpose of the Technology Foresight Programme is to help business people, engineers and scientists become better informed about each other's efforts. It is bringing these communities together in networks - looking forward in partnership - which will help to identify emerging opportunities in markets and technologies. The Programme will also help to ensure that resources are used to best effect in support of wealth creation and improving the quality of life. The results of Foresight will inform decisions on spending by Government and industry. Foresight findings are available to small and medium sized enterprises which may not have the resources to undertake Foresight work on their own account.

The Technology Foresight Programme is co-ordinated by the Office of Science and Technology (part of the Cabinet Office). Foresight panels have been working in each of the following 15 sectors:

Agriculture, Natural Resources & Environment	Health & Life Sciences
Chemicals	IT & Electronics
Communications	Leisure & Learning
Construction	Manufacturing, Production & Business Processes
Defence & Aerospace	Materials
Energy	Retail & Distribution
Financial Services	Transport
Food & Drink	

Summary leaflets (like this one) are available for each sector. Copies of these documents are available from the Office of Science and Technology, Albany House, 84-86 Petty France, London, SW1H 9ST (Fax: 0171-271-2015). Full reports for each sector are available from Her Majesty's Stationery Office.

April 1995